

Kosygina, Julia

From: Kosygina, Julia
Sent: Wednesday, February 01, 2012 8:22 AM
To: Kosygina, Julia
Subject: OAO Gazprom Q3 2011 IFRS Results - Solid Results for a Seasonally Slow Quarter
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OAO Gazprom Q3 2011 IFRS Results – Solid Results for a Seasonally Slow Quarter

OAO Gazprom today announced its Q3 2011 IFRS results. Gazprom is one of the world's largest integrated oil and gas companies in terms of reserves, production and market capitalisation. Gazprom retains a unique gas industry position underpinned by its unrivaled resource base, potential diversification of exports to Asia and compelling growth opportunities beyond 2011.

The Q3 2011 IFRS results are extremely positive and show that Gazprom has delivered a solid quarter for a traditionally slow season, due to a strong rise in oil and gas prices and pick-up in export volumes. The latter proves that Gazprom continues to leverage the increasing global demand for natural gas as a clean, reliable and secure source of energy.

RESULTS EXCEED ANALYST EXPECTATIONS

The Q3 2011 IFRS results have significantly **exceeded analysts' expectations**, driven by continued increases across the key fundamentals (see below for full details). **Total gas sales increased by 32% to US\$108,918 mn** for the nine months to 30 September, driven by an increase in the average prices and volume of gas sold. This is in spite of the traditional seasonal downturn during Q3, typical of the decreasing summer seasonal demand for gas. Sales of oil, refined products, electricity and power have also posted solid growth.

The general analyst consensus for Gazprom is positive, with a total of [12] BUY ratings, according to Bloomberg.

FINANCIAL HIGHLIGHTS FOR Q3 2011: Solid performance above analyst expectations

Net profit rise YoY due to higher volumes and higher realised prices:

- 9 months: **32% growth to RUB 3,297 bn / US\$ 109,139 mn**
- 3 months **22% growth to RUB 950 bn / US\$ 31,456 mn**

The company has increased profitability YoY with the EBITDA growth reaching:

- 9 months: **[44]% increase to RUB [1,377] bn / US\$ [45,254] mn**

Net income increase YoY due to efficient opex management:

- 9 months to 30 September: **41% growth to RUB 924 bn / US\$ 30,530 mn**
- 3 months to 30 September: **4% decrease to RUB 152 bn / US\$ 5,030 mn**

Total Debt/Adjusted EBITDA remains at a comfortably low level of 0.8x, in line with its European industry peers.

OPERATIONAL HIGHLIGHTS FOR Q3 2011: Enhanced demand drives volumes and prices up

Total gas sales: 7% increase in volume from 371.8 bcm to 344.8 bcm for the first nine months of 2011.

- **Russia (9 month of 2011 compared to 9 months of 2010):**
 - 194.5 bcm at RUB 2,583.0 per mcm
 - **Increase in volume by 1.6%** to 194.5 bcm from 191.4 bcm
 - **Gross average price increased by 13%** to RUB 2,583.0 from RUB 2,284.7 per mcm
 - **Net sales increased by 14%** to RUB 502,271 mn from RUB 437,410 mn compared to the first nine months of 2010
- **FSU (9 month of 2011 compared to 9 months of 2010):**
 - 62.5 bcm at US\$ 276.1 per mcm
 - **Increase in volume by 33%** to 62.5 bcm from 46.9 bcm

- **Price increased by 21%** to US\$ 276.1 from US\$ 228.0
- **Net sales increased by 58%** to RUB 458,608 mn from RUB 290,070 mn compared to the first nine months of 2010
- **Europe and other countries (9 month of 2011 compared to 9 months of 2010):**
 - 115 bcm at US\$ 376.0 per mcm
 - **Increase in volume by 8%** to 114.8 from 106.5
 - **Price increased by 28%** to US\$ 376.0 from US\$ 294.5
 - **Net sales increased by 34%** to RUB 1,026,451 mn from RUB 767,855 mn compared to the first nine months of 2010

The results have been significantly impacted by the Ruble appreciation against the US Dollar (5%) and the Euro (8%) in the nine months ended 30 September 2011, therefore, resulting in FX "paper" losses.

For more details, please see the attached press release and MD&A

Kind regards,

Alex Blair

Account Coordinator, Public Affairs
Office: 202-835-8807

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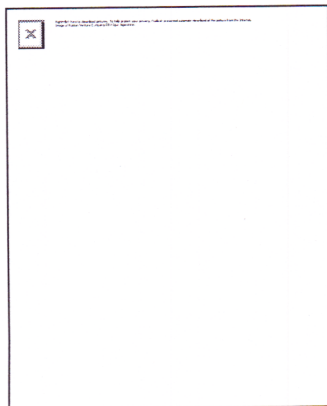
ModernRussia Update



Russian Venture Company on the future of the Russian economy

Posted: 24 Jan 2012 05:38 AM PST

*Modern Russia recently spoke with **Igor Agamirzian** about the future of the Russian economy. Agamirzian is the CEO of Russian Venture Company, serves on the board of trustees of the Skolkovo Foundation, and is a member of the board of directors of the Russian Nanotechnology Corporation.*



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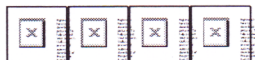


A student exchange program in Russia

Posted: 25 Jan 2012 04:16 PM PST

I have always been fascinated by Russia and was fortunate to learn about the current state of U.S.-Russia relations in Moscow through my participation in the Kremlin Fellows Program. At 22 years old, having never traveled outside of North America, I was very excited to be nominated for the prestigious fellowship by Senator Carl Levin and later selected by the Russian government. I was part of a delegation of 15 undergraduate and graduate student leaders from various disciplines across the U.S.

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To: Levite, Alexandra
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ModernRussia Update



Dvorkovich sets out Russia's priorities for World Economic Forum

Posted: 26 Jan 2012 04:34 PM PST

Russia stands ready to support the eurozone overcome its debt crisis, presidential aide Arkady Dvorkovich said in a January 23 article in The Financial Times' Guide to the Davos World Economic Forum.

He also outlined Russia's priorities going into the World Economic Forum and suggested that hope for a global recovery lies with emerging markets.

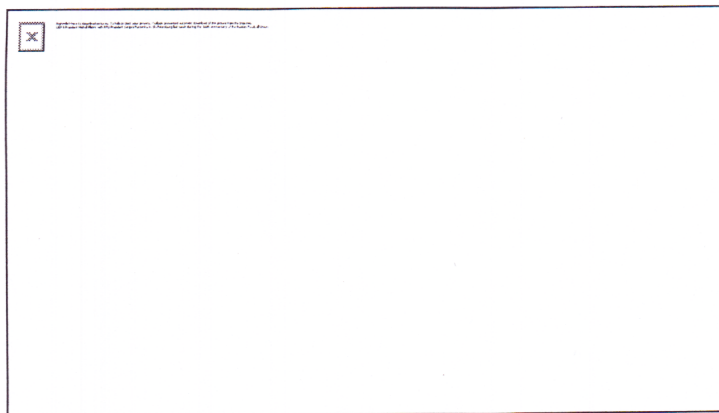
Below are the main points from Mr. Dvorkovich's piece:

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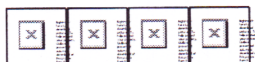


Russian Football Union celebrates centennial

Posted: 26 Jan 2012 03:32 PM PST



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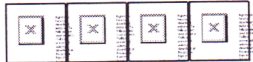


Executives at the Detroit Auto Show explore opportunities in the Russian automotive industry

Posted: 23 Jan 2012 04:14 PM PST

The North American International Auto Show in Detroit has been an important barometer for the global automotive industry for more than a century and this year was no exception. Thousands of industry executives, enthusiasts and experts poured into Detroit's Cobo Center last week to hear industry leaders discuss and reveal the latest automotive trends and innovations.

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